

**COMMITTEE ON GOVERNMENT REFORM**  
**SUBCOMMITTEE ON GOVERNMENT MANAGEMENT, FINANCE, AND ACCOUNTABILITY**  
*TODD RUSSELL PLATTS, CHAIRMAN*



**OVERSIGHT HEARING:**  
***OMB's Financial Management Line of Business Initiative***  
***Do Recent Changes to the Implementation Guidance Clarify the Rules?***

*Wednesday, June 28, 2006, 2:00 PM*  
*2247 Rayburn House Office Building*

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***OPENING STATEMENT OF CHAIRMAN PLATTS***

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In 2004, the Office of Management and Budget announced the creation of its Lines of Business initiative, which was designed to consolidate duplicative functions across the Federal government using a shared services model. Today, this model is being used on a small scale to consolidate functions within Departments and to create efficiencies for smaller bureaus and agencies.

Applying the shared service concept on a larger scale – government wide in this case – may present greater challenges. In fact, as the Financial Management Line of Business has evolved, Federal managers and commercial sector hosts have raised important questions with regard to the structure of the initiative and the competition framework. On March 15, 2006, the Subcommittee held its first hearing on this topic, and it provided a constructive discussion of some of the challenges inherent in such a large undertaking. It was evident that Federal managers and commercial host providers were eagerly awaiting a clear set of guidelines, and OMB released its Draft Migration Planning Guidance on May 22, 2006. That new guidance made significant changes to the original concept, and this hearing will provide OMB with an opportunity to outline those changes. We will also discuss what these changes will mean for stakeholders, including commercial hosts and Federal employee unions.

If this initiative is to be successful, we must ensure that all stakeholders are fully informed and that the user community is ready, willing, and able to embrace this proposal.

I'd like to thank our witnesses for being here today. On the first panel will be The Honorable Dr. Linda Combs, Controller at the Office of Federal Financial Management in the Office of Management and Budget and Ms. Mary Mitchell, Deputy Associate Administrator of the General Services Administration. Our second panel will include Mr. James Krouse, Acting Director of Public Sector Market Analysis for INPUT, Ms. Jacque Simon, Public Policy Director for the American Federation of Government Employees, and Mr. Stan Soloway, President of the Professional Services Council. I look forward to the testimony of each of our witnesses.